

PERMANENT COMMUNITY IMPACT FUND BOARD MEETING

Department of Community and Culture
Division of Housing and Community Development
Salt Lake City, Utah

MINUTES

Thursday, February 12, 2009

Members Present

Gordon D. Walker
Richard K. Ellis
Claudia Jarrett
D. Brad Hancock
Bevan Wilson
Michael McKee
Joe L. Piccolo
Michael Milovich
Maloy Dodds
Vacant Position
Vacant Position

Chairman
State Treasurer
Six County Association of Governments
State Board of Water Resources
State Transportation Commission
Uintah County
State Board of Water Quality
Carbon County
Five County Association of Governments
Uintah Basin Association of Governments
Southeastern Utah Association of Governments

Staff and Visitors

Keith J. Burnett
Gayle Gardner
Sanobi Johnson
Candace Powers
Luaine Furgason
Keith Heaton
Palmer DePaulis
Thom Roberts
Michael Georgeson
Kathleen Cooper
Gary Kofford
Jeff Richens
Richard Tatton
Bruce Andrews
Scott Gurney
Rich Curtis
Jerold Johnson
Gary O. Zabriskie
Ed Peterson
Leslie Stoker
Brian Barton
Mistie Christiansen
Micheal Davis
Marc Edminster

Department of Community and Culture
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Department of Community and Culture
Department of Community and Culture
Attorney Generals Office
Division of Drinking Water
Myton City
Emery County
Price River Water Improvement District
Price River Water Improvement District
Sunnyside City
Aurora City
Aurora City
Aurora City
Five County Association of Governments
Uintah County
Emery Town
Jones & DeMille Engineering
Emery Town
Vernal City
Lewis Young, Inc.

Eric Johnson
Allan Mashburn
Ken Bassett
Kevin Madson
Douglas Nielsen
Scott Hermansen

Smith Hartvigsen
Vernal City
Vernal City
Gunnison City
Sunrise Engineering
Gunnison City

WELCOME

The Permanent Community Impact Fund Board (CIB) Meeting held February 12, 2009, was called to order at 8:40 a.m. by Chairman Gordon D. Walker. The meeting was held at the Courtyard by Marriott, 185 South 1470 East, St. George, Utah.

ADMINISTRATIVE ITEMS

Change of Annual Policy Retreat Date

There is a conflict with the Annual Policy Retreat scheduled for June 4-5; the CIB staff has suggested changing this date to June 12-13, tentatively meeting in Brian Head at the Cedar Breaks Lodge. Staff will provide confirmation of location and date at the March 5, 2009, board meeting.

Financial Review

There are sufficient funds in both the mineral lease account and bonus account to cover the current grant and loan requests in this funding cycle.

CIB staff stated there is currently \$59 Million in funding available with 41 new applications with several applications on the Pending List that may come forward during next funding cycle.

Review of Agenda Items

Keith Burnett and Gayle Gardner reviewed the agenda items with board members.

INTRODUCTIONS

Chairman Walker introduced new potential Board members Kathleen Cooper, Mayor of Myton City and Commissioner Gary Kofford, Emery County Commission.

Chairman Walker asked the other Board members and staff to give introductions.

APPROVAL OF MINUTES

Chairman Walker requested a motion to approve the minutes of January 15, 2009.

Michael Milovich moved and Claudia Jarrett seconded the motion to approve the minutes of January 15, 2009. The motion carried unanimously.

PRIORITY PROJECTS

1. Sunnyside City (Carbon County)

Sunnyside City presented a funding assistance request for a \$106,000 grant to purchase a new 2009 ambulance.

Total Funding Request: \$106,000 (\$106,000 grant).

2. Uintah County Municipal Building Authority (MBA) (Uintah County)

Uintah County MBA presented a funding assistance request for a \$727,350 grant to build a new 3,456 square foot single level home-like structure at 160 South 200 East in Vernal for the purpose of a Children's Justice Center with handicap accessibility.

Total Funding Request: \$727,350 (\$727,350 grant).

3. Holden Town (Millard County)

Holden Town presented a funding assistance request for a \$175,000 grant and a \$175,000 loan for 30 years at 2.5% interest (total \$350,000) to construct a new 1,650 square foot town hall/community center on Main Street which would include a large multipurpose room for town council meetings, office space, file storage, restrooms and parking area.

Total Funding Request: \$350,000 (\$175,000 grant and a \$175,000 loan for 30 years at 2.5% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-----------|-------|-------|---------------|------------------------------|
| \$175,000 | BONUS | 30 | 2.5% | 04/01/2011 |

4. Hinckley Town (Millard County)

Hinckley Town presented a funding assistance request for a \$90,000 grant and a \$90,000 loan for 30 years at 2.5% interest (total \$180,000) to construct bleacher replacements and lighting improvements dating back to the 1930's.

Total Funding Request: \$180,000 (\$90,000 grant and a \$90,000 loan for 30 years at 2.5% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|----------|-------|-------|---------------|------------------------------|
| \$90,000 | BONUS | 30 | 2.5% | 04/01/2011 |

5. Juab County Municipal Building Authority (MBA) (Juab County)

Juab County presented a funding assistance request for a \$913,000 loan for 30 years at 0.0% interest to construct a new 5,092 square foot clinical office in Nephi, Utah.

Total Funding Request: \$913,000 (\$913,000 loan for 30 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-----------|------|-------|---------------|------------------------------|
| \$913,000 | M/L | 30 | 0.0% | 04/01/2011 |

6. Elwood Town (Box Elder County)

Elwood Town presented a funding assistance request for a \$1,250,000 loan for 30 years at 2.5% interest to construct a new 6,500 square foot town hall which includes a council chamber, multipurpose room with kitchen facilities, entry/reception area and office space for town clerk and mayor, storage space for town records and conference room for council meeting.

Total Funding Request: \$1,250,000 (\$1,250,000 loan for 30 years at 2.5% interest)

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-------------|-------|-------|---------------|------------------------------|
| \$1,250,000 | BONUS | 30 | 2.5% | 04/01/2011 |

7. Price River Water Improvement District (Carbon County)

Price River Water Improvement District presented a funding assistance request for a \$73,800 grant and a \$114,000 loan for 20 years at 0.0% interest (total \$187,800) to make water system improvements to include emergency backup power generator and enclosure, waterline replacement and fire hydrant addition, SCADA system replacement with county-wide wireless communication equipment and replacement of self-contained breathing apparatus.

Total Funding Request: \$187,800 (\$73,800 grant and an \$114,000 loan for 20 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-----------|------|-------|---------------|------------------------------|
| \$114,000 | M/L | 20 | 0.0% | 04/01/2011 |

8. Price River Water Improvement District (Carbon County)

Price River Water Improvement District presented a funding assistance request for a \$126,200 grant and an \$111,000 loan for 20 years at 0.0% interest (total \$237,200) to make sewer system improvements to include reconstructing mainline collector, purchase and install a digested sludge transfer pump and four self-contained breathing apparatus units. Facility roof reconstruction and HVAC equipment purchase.

Total Funding Request: \$237,200 (\$126,200 grant and an \$111,000 loan for 20 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-----------|------|-------|---------------|------------------------------|
| \$111,000 | M/L | 20 | 0.0% | 04/01/2011 |

9. Ashley Valley Water & Sewer Improvement District (Uintah County)

Ashley Valley Water & Sewer Improvement District presented a funding assistance request for a \$1,200,000 grant and \$3,400,000 loan for 30 years at 0.0% interest (total \$4,600,000) to build a 3mg water tank, 10,000 feet of new distribution line to replace old lines with increased size and the installation of fire hydrants and related fittings in the upper zones of Airvillage, Cottonwood Heights and Glines areas.

Total Funding Request: \$4,600,000 (\$1,200,000 grant and a \$3,400,000 loan for 30 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-------------|------|-------|---------------|------------------------------|
| \$3,400,000 | M/L | 30 | 0.0% | 04/01/2011 |

10. Mayfield Town (Sanpete County)

Mayfield Town presented a funding assistance request for a \$1,448,000 grant and a \$1,209,000 loan for 30 years at 0.0% interest (total \$2,657,000) to build a new 350,000 gallon concrete storage tank, distribution improvements, additional fire hydrants, installation of a radio read meter system, repairs and upgrades to the town's source meters, disinfection system and integration into the Centerfield Regional SCADA.

Total Funding Request: \$2,657,000 (\$1,448,000 grant and a \$1,209,000 loan for 30 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-------------|------|-------|---------------|------------------------------|
| \$1,209,000 | M/L | 30 | 0.0% | 04/01/2011 |

11. Sanpete County Water Conservancy District

Sanpete County Water Conservancy District presented a funding assistance request for a \$150,000 grant to complete phase II of the Twelve Mile Canyon water quality study which includes data evaluation/exploration, alternative analysis and alternative selection.

This request requires a 50/50 cash match from the applicant.

Total Funding Request: \$150,000 (\$150,000 grant)

12. Canyonlands Health Care Special Service District (SSD) (Grand County)

Canyonlands Health Care SSD presented a funding assistance request for a \$4,950,000 loan for 15 years at 2.5% interest to construct a new 36 bed extended care facility in Moab, Utah.

Total Funding Request: \$4,950,000 (\$4,950,000 loan for 15 years at 2.5%)

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-------------|-------|-------|---------------|------------------------------|
| \$4,950,000 | BONUS | 15 | 2.5% | 04/01/2011 |

13. Fountain Green City (Sanpete County)

Fountain Green City presented a funding assistance request for a \$1,440,000 grant and a \$1,440,000 loan for 30 years at 0.0% interest (total 2,880,000) to construct a 1,000,000 gallon storage tank on a high elevation, replacing small pipe in the system to improve flow, adding fire hydrants, replacing 8-inch lead jointed ductile iron pipe with PVC and improvements to spring collection system.

Total Funding Request: \$2,880,000 (\$1,440,000 grant and a \$1,440,000 loan for 30 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-------------|------|-------|---------------|------------------------------|
| \$1,440,000 | M/L | 30 | 0.0% | 04/01/2011 |

Joe Piccolo moved and Maloy Dodds seconded a motion to approve projects 1-13 as advanced on the Priority List. The motion carried unanimously.

14. Sanpete County Special Service District #1 (SSD) (Sanpete County)

Sanpete County SSD #1 presented a funding assistance request for a \$39,500 grant to update their general plan including background information, goals, and policies, implementation and evaluation requirements concerning land use, economic development, higher education, tourism, housing, transportation, public facilities, parks, environmental, natural resource, conservation and implementation.

After some discussion grantee was changed to the Sanpete County Municipal Building Authority. The applicant also revised their request to a \$28,929 grant. This request requires a 50/50 cash match from the applicant.

Mike McKee moved and Bevan Wilson seconded a motion to fund this project as a \$28,928 grant. The motion carried unanimously with Claudia Jarrett abstaining due to a conflict of interest.

Total Funding Request: \$28,929 (\$28,929 grant).

15. Aurora City (Sevier County)

Aurora City presented a funding assistance request for a \$500,000 grant and a \$300,000 loan for 30 years at 0.0% interest (total \$800,000) to construct a 7,000 square foot community center and city office building which will include a large hall for community activities, a kitchen, council chambers, justice court and various county offices.

As requested by the Board, the applicant provided preliminary bid estimates from two contractors familiar with construction in the Sevier county area. Both estimates indicated the project could be built within the budget.

Maloy Dodds moved and Claudia Jarrett seconded a motion to fund this project as a \$500,000 grant and a \$300,000 loan for 30 years at 0.0% interest (total \$800,000). The motion carried unanimously.

Total Funding Request: \$800,000 (\$500,000 grant and a \$300,000 loan for 30 years at 0.0% interest)

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-----------|------|-------|---------------|------------------------------|
| \$300,000 | M/L | 30 | 0.0% | 04/01/2011 |

16. Town of Emery (Emery County)

The Town of Emery presented a funding assistance request for a \$900,000 grant and a \$100,000 loan for 30 years at 0.0% interest (total \$1,000,000) to construct a 60' x 55' steel building to house town offices including a public meeting area and a 65' x 97' fire station adjoining to house four fire trucks and an ambulance.

The Board asked the applicant if they could take their funding request as a 50/50 loan/grant mix. The applicant stated no they could not.

Mike McKee moved and Bevan Wilson seconded a motion to fund this project as a \$900,000 grant and a \$100,000 loan for 30 years at 0.0% interest (total \$1,000,000). The motion carried unanimously.

Total Funding Request: \$1,000,000 (\$900,000 grant and a \$100,000 loan for 30 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-----------|------|-------|---------------|------------------------------|
| \$100,000 | M/L | 30 | 0.0% | 04/01/2011 |

17. Huntington City Corporation (Emery County)

Huntington City Corporation presented a funding assistance request for a \$650,000 loan for 30 years at 0.0% interest to install curb, gutter and sidewalk to and from Huntington Elementary school.

The Board expressed concerns about funding curb, gutter and sidewalk applications based on potentially subsidizing private property owners. They feel the counties should be paying for these types of projects through assessments.

After some discussion the Board revised the funding amount to a \$321,334 grant and a \$321,000 loan for 30 years at 0.0% interest (total \$642,334).

Joe Piccolo moved and Brad Hancock seconded a motion to fund this project as a \$321,334 grant and a \$321,000 loan for 30 years at 0.0% interest (total \$642,334). The motion carried with 8 Aye (Piccolo, Hancock, Walker, Wilson, Dodds, Jarrett, McKee, Ellis) and 1 Nay (Milovich).

Total Funding Request: \$642,334 (\$321,334 grant and a \$321,000 loan for 30 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-----------|------|-------|---------------|------------------------------|
| \$321,000 | M/L | 30 | 0.0% | 04/01/2011 |

18. Vernal City Municipal Building Authority (MBA) (Uintah County)

Vernal City MBA presented a funding assistance request for a \$4,000,000 grant and a \$4,000,000 loan for 30 years at 2.5% interest (total \$8,000,000) to build a new 54,000 square foot two story Vernal City office facility to house the administrative functions of the city, justice court, police department and planning and zoning department.

The applicant presented several different funding options for the Board to consider.

After some discussion the Board modified the funding request to a \$2,500,000 grant, a \$2,500,000 loan for 30 years at 2.5% interest and a \$3,000,000 loan for 30 years 0.0% interest (total \$8,000,000) with the first payment deferred two years.

Brad Hancock moved and Bevan Wilson seconded a motion to fund this project as a \$2,500,000 grant, a \$2,500,000 loan for 30 years at 2.5% interest and a \$3,000,000 loan for 30 years at 0.0% interest (total \$8,000,000) with the first payment deferred for two years. The motion carried unanimously.

Total Funding Request: \$8,000,000 (\$2,500,000 grant, a \$2,500,000 loan for 30 years at 2.5% interest and a \$3,000,000 loan for 30 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-------------|-------|-------|---------------|------------------------------|
| \$2,500,000 | BONUS | 30 | 2.5% | 04/01/2013 |
| \$3,000,000 | M/L | 30 | 0.0% | 04/01/2011 |

19. Gunnison City (Sanpete County)

Gunnison City presented a funding assistance request for a \$750,750 grant and a \$1,500,000 loan for 30 years at 2.5% interest (total 2,250,750) to build a new 9,000 square foot two-level building on the site of the current city owned building to house the police, court, city offices, city council and senior citizen center with an elevator, wheelchair ramp. This building will also be available for public and private events.

The applicant submitted a revised application for a \$1,051,500 grant and a \$1,501,000 loan for 30 years at 2.5% interest (total \$2,552,500).

Claudia Jarrett moved and Mike McKee seconded a motion to fund this project as a \$1,051,500 grant and a \$1,501,000 loan for 30 years at 2.5% interest (total \$2,552,500). The motion carried unanimously.

Total Funding Request: \$2,552,500 (\$1,051,500 grant and a \$1,501,000 loan for 30 years at 2.5% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-------------|-------|-------|---------------|------------------------------|
| \$1,501,000 | BONUS | 30 | 2.5% | 04/01/2011 |

20. Helper City (Carbon County)

The applicant has deferred their application until further notice.

The Board decided to place this application on the Pending List.

Joe Piccolo moved and Bevan Wilson seconded a motion placing this project on the Pending List for review at a future CIB meeting. The motion carried unanimously.

SPECIAL CONSIDERATION REQUESTS

1. Ticaboo Special Service District #1 (SSD) (Garfield County)

On 8/7/08 Garfield County/ Ticaboo SSD #1 presented a funding assistance request for a \$1,015,000 grant and a \$1,015,000 loan for 20 years at 0.0% interest to improve wastewater collection and treatment systems including replacement of faulty offset joints, sagging and broken pipes, replacing wastewater lagoon synthetic liner with clay liner and adding additional cells.

The applicant stated the current system is deteriorating and undersized. It needs to be rebuilt to meet current and future wastewater collection and treatment needs.

The Board asked the applicant if they have a revenue source and how they would pay back the loan. The applicant stated they are implementing a \$28/month impact fee. The Board suggested the applicant apply with the Department of Water Quality for additional funding and asked if Uranium One could provide some funding guarantee.

DEQ's recommendation is to fund this project as a \$507,500 grant and a \$1,552,500 loan for 20 years at 0.0% interest (total \$2,060,000) contingent upon the plans and specifications for the project being reviewed and approved by the Division of Water Quality.

On 1/29/09 the CIB staff received a package from the Ticaboo Special Service District requesting time on the Board's 2/12/09 meeting agenda to discuss the a revised application.

Total cost of the project has been reduced to \$928,000. The Division of Water Quality has approved funding totaling \$464,000 (\$232,000 loan 25 years at 0.0% and a \$232,000 grant) the applicant is seeking funding on the same terms and conditions from the CIB for the remaining balance of the project.

The Board asked the applicant how they would cover cost overruns, the applicant stated they would be responsible for all cost overruns.

After some discussion, the Board increased the funding request to a \$250,000 grant and a \$250,000 loan for 25 years at 0.0% interest (total \$500,000).

Mike McKee moved and Brad Hancock seconded a motion to suspend the rules and fund this project as a \$250,000 grant and a \$250,000 loan for 25 years at 0.0% interest (total \$500,000). The motion carried unanimously with Maloy Dodds abstaining due to a conflict of interest.

Total Funding Request: \$500,000 (\$250,000 grant and a \$250,000 loan for 25 years at 0.0% interest).

Loan Information

| Amount | Fund | Years | Interest Rate | 1 st Payment Date |
|-----------|------|-------|---------------|------------------------------|
| \$250,000 | M/L | 25 | 0.0% | 04/01/2011 |

BOARD MEMBER ISSUES

Mike McKee discussed federal lease withdrawals.

Chairman Walker discussed jail issues.

The CIB staff provided a tutorial about CIB board policy and procedures.

ADJOURNMENT

The next regularly scheduled meeting of the Permanent Community Impact Fund Board will be held on March 5, starting 8:30 a.m., at the Utah State Library Division, 250 North 1950 West, Rooms 218-219, Salt Lake City, Utah.

The meeting adjourned at 12:00 p.m.

Submitted by:
Sanobi Johnson